ASSESSING THE SUSTAINABILITY OF INTERDISCIPLINARY ECONOMIC FRAMEWORKS

Suzana TURCU[40]

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Abstract:

The sustainability of interdisciplinary economic models has become an increasingly urgent concern amid converging global challenges such as climate change, public health crises and digital disruption. Traditional economic approaches often prove insufficient for navigating such complexity, prompting the rise of models that integrate economic, legal, environmental, technological and social dimensions. This paper investigates the sustainability of these models across three interrelated domains: financial structures, institutional design and social inclusion. Drawing on a conceptual–comparative methodology and grounded in case studies from the European Union, South Asia and Africa, the analysis reveals that models are most resilient when financial mechanisms are transparent and accountable, governance is polycentric and adaptive and inclusion is embedded as a core design principle. Importantly, the study highlights that sustainability is not only a technical or institutional challenge, but also a normative one—requiring explicit commitments to equity, distributive justice and participatory governance. However, significant challenges persist in aligning fiscal innovation with fairness, coordinating across levels of governance and operationalizing inclusive processes. These findings underscore the need for interdisciplinary approaches that institutionalize complexity rather than simplify it and call for future research on the role of digital technologies in enabling inclusive, data-driven governance.

Keywords: *interdisciplinary economic models, sustainability, governance, inclusion, resilience*

JEL classification: *Q01, H11*

Introduction

The sustainability of interdisciplinary economic models has become an increasingly urgent concern amid converging global challenges such as climate change, public health crises and digital disruption. Traditional economic frameworks often fall short in addressing this complexity, prompting the emergence of models that integrate economic, legal, environmental, technological and social dimensions. This paper explores the sustainability of

[40] *Romanian Academy, School of Advanced Studies of the Romanian Academy, Doctoral School of Economic Sciences, National Institute for Economic Research "Costin C. Kiriţescu", "Victor Slăvescu" Centre for Financial and Monetary Research, Francisc I. Rainer Institute of Anthropology, Romania, e-mail: suzana.turcu@antropologia.ro, ORCID: https://orcid.org/ 0000-0003-0208-4052*

such models across three interdependent domains: financial structures, institutional design and social inclusion. Using a conceptual–comparative methodology and drawing on case studies from the European Union, South Asia and Africa, the analysis finds that models are most resilient when financial mechanisms are transparent and accountable, governance is polycentric and adaptive and inclusion is embedded as a core design principle. Nonetheless, significant challenges remain—particularly in aligning fiscal innovation with equity, coordinating governance across multiple levels and embedding participatory processes in practice. These findings highlight the importance of interdisciplinary approaches that institutionalize complexity rather than reduce it and call for further research into the role of digital technologies in enabling inclusive, data-driven governance.

Literature Review

The sustainability of interdisciplinary economic models has garnered increasing scholarly attention in light of converging global crises—ranging from climate instability and public health emergencies to digital transformation and economic inequality. The literature addressing these models typically focuses on three interdependent dimensions: financial viability, institutional and governance adaptability and social inclusion. These themes not only structure the discussion that follows but also provide the analytical foundation for the framework employed in this study.

Financial Sustainability

A robust body of research has underscored the importance of financial innovation in supporting sustainable development objectives. Central to this discussion is the growing use of blended finance mechanisms, wherein public funds are deployed to de-risk private investment in sectors such as renewable energy, climate resilience and infrastructure (OECD, 2018a). Blended finance serves as a catalyst by mobilizing private capital toward high-impact sectors that may otherwise be perceived as too risky or unprofitable.

Complementary financial instruments such as green bonds, environmental, social and governance (ESG) investments and sustainability-linked loans have gained traction in both developed and emerging markets (Chen *et al.*, 2023). The European Investment Bank, for instance, has issued over €80 billion in green bonds, targeting sectors like renewable energy and sustainable transportation. Similarly, the World Bank's issuance of sustainability-linked bonds illustrates the potential for leveraging capital markets to finance climate-aligned and socially responsive growth (Huang, 2024; Schneider, 2024).

However, the literature also warns of emerging risks associated with these instruments, particularly in the absence of standardized metrics and robust regulatory oversight. Without proper accountability mechanisms, such tools can contribute to "greenwashing," where the label of sustainability is applied without delivering verifiable social or environmental outcomes (OECD, 2018a; Chen *et al.*, 2023).

Institutional and Governance Sustainability

The second pillar of sustainability emphasizes the institutional and governance frameworks that support interdisciplinary models. Elinor Ostrom's theory of polycentric governance offers a foundational perspective, highlighting the benefits of distributed, overlapping decision-making systems that operate at multiple scales and foster localized problem-solving (Ostrom, 2010).

In the European Union, the integration of mission-oriented innovation policies has provided a tangible application of such principles. Horizon Europe, for example, incorporates multi-actor platforms and cross-sectoral missions that address complex challenges like climate neutrality, health and digital inclusion. Mariana Mazzucato's work has been particularly influential in advocating for such public-purpose-driven innovation strategies(European Commission, 2018).

Despite these advances, significant gaps remain in institutional capacity, especially in contexts marked by weak administrative infrastructure or fragmented governance. The COVID-19 pandemic, as noted in comparative OECD assessments, revealed critical vulnerabilities in centralized systems that lacked robust mechanisms for local engagement and adaptive feedback.

Equity and Inclusion Sustainability

A growing segment of the literature stresses that economic models cannot be considered sustainable without explicitly addressing equity and inclusion. Development scholars such as Amartya Sen and Thomas Piketty argue that distributive justice and participatory governance are not only ethical imperatives but also functional prerequisites for long-term system stability(Sen, 2000; Piketty and Goldhammer, 2020).

Inclusive finance mechanisms—such as microcredit, cooperative banks and social business models—are frequently cited as effective tools for expanding economic access. The Grameen Bank's microfinance framework, which has empowered millions of low-income women in Bangladesh, is often regarded as a benchmark for socially inclusive financial systems (Weber and Yunus, 2007).

At a regional level, the European Union's Just Transition Mechanism has demonstrated how economic transformation strategies can be explicitly designed to mitigate social and territorial inequalities. By allocating targeted support to regions dependent on carbon-intensive industries, the mechanism seeks to ensure that no one is left behind in the green transition (European Commission, 2020).

Nonetheless, the literature also points to persistent inclusion gaps. Digital exclusion, gender disparities and uneven regional development continue to hinder access to resources, representation and resilience. Many interdisciplinary frameworks still lack robust inclusion metrics and accountability processes, limiting their transformative potential.

In sum, the scholarly consensus suggests that interdisciplinary economic models must balance technical innovation with institutional legitimacy and social justice. The following sections operationalize these insights through a structured methodology and comparative case analysis.

Methodology and Data

This study adopts a conceptual–comparative methodological approach, designed to capture the complexity and interdisciplinarity inherent in sustainable economic models. Rather than relying on single-variable causality or purely empirical generalizations, the method integrates theoretical insight, institutional design and context-sensitive evidence to assess the financial, institutional and social sustainability of economic frameworks (George and Bennett, 2005).

Data Sources

A broad spectrum of qualitative and documentary data informs this analysis, drawing on:

•Regulatory frameworks: including major European Union policy instruments such as the European Green Deal, the NextGenerationEU recovery plan and the Horizon Europe research agenda;

•Institutional and development reports: from international organizations including the OECD's blended finance principles, UNDP Human Development Reports and World Bank climate finance updates;

•Academic scholarship: comprising peer-reviewed articles, monographs and policy studies across economics, development theory, sustainability science and public administration.

The triangulation of these sources ensures both conceptual rigor and contextual relevance, allowing the study to bridge abstract principles with grounded policy practices.

Analytical Framework

To assess the sustainability of interdisciplinary economic models, this study employs a three-pillar evaluative framework encompassing financial structures, institutional design and social inclusion. Each dimension is conceptually distinct yet empirically interdependent, forming a comprehensive basis for evaluating how economic systems integrate sustainability principles across governance levels and contexts.

The first dimension, financial structures, addresses the composition and architecture of funding mechanisms that underpin sustainable transformation. It considers instruments such as green bonds, blended finance vehicles and public–private partnerships, emphasizing their risk-sharing arrangements, capital mobilization capacity and long-term fiscal viability. Financial sustainability in this sense extends beyond mere solvency to encompass the resilience and accountability of financing flows, ensuring that economic transformation efforts are both scalable and durable.

The second dimension, institutional design, examines governance architectures that shape policy coordination and implementation. Particular attention is paid to the degree of decentralization, the mechanisms that facilitate stakeholder collaboration and the administrative learning capacities that enable adaptive policymaking. Within this context, polycentric governance and mission-oriented institutions serve as critical indicators of institutional sustainability, reflecting the system's ability to respond flexibly to emerging challenges while maintaining strategic coherence.

Finally, the social inclusion dimension explores the extent to which economic frameworks embed participatory processes and distribute outcomes equitably. It evaluates whether models succeed in extending access to marginalized communities, promoting civic engagement and ensuring fairness across regions and demographic groups. Inclusion, in this framework, is treated not as an ancillary goal but as a constitutive element of sustainability, central to both legitimacy and long-term effectiveness.

These analytical dimensions are applied to a set of comparative case studies selected for their institutional diversity and sectoral relevance. Germany's Energiewende illustrates the coordination between federal and local governance structures in achieving decarbonization. The European Union's Just Transition Fund exemplifies how financial mechanisms can promote territorial equity within climate policy. The Grameen Bank model in Bangladesh demonstrates the transformative potential of grassroots-based financial inclusion, while the African Union's Agenda 2063 provides a continental vision of long-term strategic economic planning. Together, these cases offer a multidimensional perspective on how interdisciplinary economic frameworks operate across varying political, financial and social environments.

Rationale

The conceptual–comparative method presents distinct advantages for analyzing interdisciplinary economic systems. It enables the integration of normative frameworks with empirical observations, accommodates context-specific variation and facilitates the identification of causal patterns in complex, multi-level governance settings. In contrast to strictly empirical or quantitative approaches, this method embraces reflexivity and layered causality—essential features when examining how interdisciplinary models emerge, adapt and perform over time(George and Bennett, 2005).

By employing this approach, the study is well-positioned to reveal both the structural conditions and contextual dynamics that shape the sustainability of economic interventions across diverse institutional landscapes and policy domains.

Results

This section synthesizes the empirical and conceptual findings based on the three-dimensional framework outlined earlier—financial structures, institutional adaptability and social inclusion. Drawing from comparative case studies, it elucidates the conditions under which interdisciplinary economic models demonstrate resilience, legitimacy and transformative capacity.

Alignment with Territorial and Social Needs

Interdisciplinary economic frameworks exhibit heightened sustainability when their design is responsive to territorial specificities and local developmental priorities. The European Union's Just Transition Mechanism exemplifies this approach by allocating funds based on nuanced assessments of socio-economic vulnerability and environmental impact (European Commission, 2020). Targeted investments in workforce retraining, infrastructure modernization and social safety nets have demonstrated that economic tools—when aligned with the lived realities of communities—can support both decarbonization and social cohesion. Conversely, uniformly applied instruments such as flat-rate carbon taxes, in the absence of compensatory measures, have often exacerbated inequalities, leading to public resistance and policy failure(Andersson and Atkinson, 2020).

Knowledge Co-Production

A salient feature of robust interdisciplinary models is the institutionalization of knowledge co-production. Rather than relying on top-down policy prescriptions, sustainable frameworks integrate insights from academia, civil society, local communities and private sector actors. Horizon Europe, particularly through its mission-oriented innovation strategy, exemplifies this paradigm by embedding participatory foresight and interdisciplinary collaboration throughout the policy lifecycle (European Commission, 2018; Kattel and Mazzucato, 2023). The resulting policies are not only more legitimate but also better calibrated to real-world complexity.

Polycentric and Adaptive Governance

Polycentric governance structures significantly enhance the adaptive capacity of economic models, allowing for flexibility in the face of uncertainty. Germany’s Energiewende policy offers a compelling illustration of this principle. The collaborative interaction between municipal utilities, state governments and federal ministries has fostered an ecosystem in which policy experimentation and learning are institutionalized (Morris and Jungjohann, 2016). In contrast, centralized models often lack the responsiveness necessary for

navigating systemic shocks, as evidenced during the COVID-19 pandemic in several unitary states(OECD, 2018b).

Financial Innovation and Monitoring

While financial innovation—manifested in instruments such as green bonds, ESG funds and sustainability-linked loans—has successfully mobilized capital, its contribution to sustainability hinges on the presence of robust accountability mechanisms. In the absence of standardization and independent verification, such instruments risk becoming vehicles for symbolic compliance or "greenwashing" (Pistor, 2019; OECD, 2021). Effective interdisciplinary models thus incorporate rigorous monitoring frameworks, aligned with international standards such as those from the International Capital Market Association (ICMA), to safeguard financial credibility and policy alignment.

Inclusion and Equity Gaps

Despite normative commitments to inclusion, many interdisciplinary initiatives underperform on this dimension. Structural barriers—including digital exclusion, gender disparities and rural-urban divides—continue to impede broad-based participation. While community-driven models like Grameen Bank offer scalable insights into inclusive finance (Weber and Yunus, 2007), replicability remains contingent on local context and institutional support. Moreover, intersectional approaches to equity—accounting for overlapping vulnerabilities—are still underdeveloped in most policy designs. The challenge, therefore, lies not merely in rhetorical commitments to inclusion but in embedding distributive justice as a cross-cutting design principle (Sen, 2000; Piketty and Goldhammer, 2020).

This research founf that the sustainability of interdisciplinary economic models hinges on three interdependent dimensions: financial resilience, institutional adaptability and social equity. Each dimension reinforces the others: without financial innovation, models lack scalability; without governance flexibility, they are fragile; and without inclusion, they lose legitimacy.

Policy recommendations include the following:
•Promote transparent and accountable financial instruments aligned with the SDGs.
•Strengthen polycentric governance through decentralization and participatory planning.
•Institutionalize knowledge co-production through mission-oriented public programs.
•Embed social equity as a foundational principle across all stages of economic policymaking.
Future research should explore the role of digital technologies, such as AI and blockchain, in improving data governance, transparency and stakeholder engagement. Moreover, comparative empirical studies could help evaluate which combinations of financial, institutional and social mechanisms are most effective across contexts.
Interdisciplinary economic models offer a pathway toward more inclusive, resilient and future-ready economies. Their success, however, depends on continual evaluation, stakeholder alignment and institutional courage to embrace complexity.

Conclusions

This study has underscored the multifaceted nature of sustainability in interdisciplinary economic models, emphasizing the interplay between financial resilience, institutional adaptability and social inclusion. These three dimensions operate not as isolated pillars but as mutually reinforcing elements that determine the viability and legitimacy of economic transformation efforts.

Financial innovation, particularly through green bonds, blended finance and sustainability-linked instruments, enables resource mobilization but must be accompanied by strong governance and accountability frameworks to avoid performative sustainability. Likewise, institutional adaptability—anchored in polycentric governance and mission-oriented policies—enhances systemic resilience and responsiveness to uncertainty. Crucially, the normative foundation of interdisciplinary models must rest on distributive justice. Without explicit commitments to equity and inclusion, even the most technically sound models risk reproducing or deepening existing disparities.

Policy recommendations emerging from this analysis include the institutionalization of transparent and accountable financial instruments aligned with global sustainability targets; the reinforcement of decentralized and participatory governance structures; the integration of knowledge co-production within policy design and implementation; and the prioritization of equity as a structural—not symbolic—principle across economic programming.

Further research is warranted to explore the potential of digital technologies—such as artificial intelligence, blockchain and participatory platforms—to strengthen transparency, inclusion and monitoring capacity in economic governance. Comparative empirical studies, particularly those grounded in regional and sectoral contexts, can provide deeper insights into which model configurations most effectively foster long-term sustainability.

Ultimately, interdisciplinary economic models represent more than technical exercises; they are normative frameworks capable of reshaping economic

governance in ways that are inclusive, adaptive and forward-looking. Their success depends not only on innovation and coordination, but also on the courage of institutions to embrace complexity as a defining feature of sustainable development.

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